

# Meeting Taxpayer Needs

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## Meeting Taxpayer Needs

The Board of Equalization's commitment to efficient and responsive taxpayer service helps California businesses and individuals properly comply with the state's complex and changing tax laws. The agency offers a full range of options tailored to address the diverse needs of the state's business population—from 24-hour electronic services to personal assistance with individual tax compliance questions.

### Expanding Taxpayer Services

Since establishing its Customer and Taxpayer Services Division in 1995, the Board has continued to expand the number of services available to taxpayers, tax practitioners, and the general public, while improving the quality of existing services. This year the Board established a new Outreach Section and continued to take advantage of evolving communications technology.

#### **Information Center: 800-400-7115**

In 1999-00, the Board's Information Center continued to provide centralized service to taxpayers and tax practitioners. Nearly 724,000 calls were received during the year. Wait time for calls averaged less than 90 seconds and callers selected automated services 47 percent of the time. After carefully analyzing Center call patterns and industry standards early this fiscal year, the Board revamped its Information Center phone menus to enhance caller ease of use.

#### **State Tax Information Center Internet site: [www.taxes.ca.gov](http://www.taxes.ca.gov)**

The Tax Information Center Internet site is a project of the California Fed/State Partnership, which includes the Board, the Employment Development Department, the Franchise Tax

Board, and the Internal Revenue Service. The new Internet site provides tax information for users who are unfamiliar with state and federal tax requirements, agencies, and forms. Highlights include a calendar of important tax return due dates and a Small Business Assistance Center.

### Interactive Seller's Permit Verification Services

The Board continued to offer automated 24-hour Internet and telephone seller's permit verification services this fiscal year. In 1999-00, the new systems handled more than 230,000 seller's permit verification requests. The Information Center received more than 122,500 requests, and the interactive Internet application processed more than 107,600 requests.

### Internet Site: [www.boe.ca.gov](http://www.boe.ca.gov)

This year, the agency continued to expand the information and special features available on its World Wide Web site. Improvements this year include the addition of the business and property taxes law guides, franchise and personal income tax opinions, e-mail for general tax questions, expanded credit card payment options, and fillable forms.

## Taxpayer Education

### Classes, Seminars, and Presentations

**Sales and use tax classes.** During the year, nearly 2,400 taxpayers took advantage of basic sales and use tax and tax return preparation classes offered by Board field offices.

**International Fuel Tax Agreement (IFTA) classes.** The Board provided training in this specialized tax area to more than 800 trucking industry taxpayers and agents this fiscal year.

**Speakers bureau.** The Board's sales and use tax field offices continued outreach to business groups by providing speakers for professional society and industry meetings.

**Taxpayer service days.** In 1999-00, the Board cooperated with other state and local agencies to bring important tax compliance information to more than 2,600 taxpayers and tax practitioners through a series of 12 all-day events.

**Teleconference.** For the seventh year, Board staff participated in an annual interagency "Tax Talk" teleconference, presenting important information to participants in California, Oregon, and Nevada.

### Publications and Media

**Publications and newsletters.** Board staff updated and created a number of publications this year. One significant new publication, *Tax Collection Procedures*, provides a comprehensive overview of the tax collection process. New single-sheet sales and use *Tax Facts* published this year addressed such topics as purchases from out-of-state vendors, taxability of labor, coupons, and tips. Three periodic tax newsletters, which reach nearly one million readers, continued providing timely information on changes in law and regulations as well as guidance for specific transactions and activities. For a full list of publications and newsletters, see the Appendix.

**Translated publications.** In 1999-00, the Board added Korean- and Spanish-language versions of its *Audits* pamphlet to its library of publications available in languages other than English.

**Special notices.** 1999-00 special notices alerted taxpayers to changes in special district sales tax rates. Other notices addressed significant changes in tax law.

**News releases.** The Board's Media Office issued nearly 70 press releases during the year and fielded 475 phone inquiries from the press.

## Taxpayer Assistance

### Interpreter Services

Recognizing the importance of helping all California taxpayers comply with the law, the Board provides services in languages other than English, offering interpreters in headquarters units, in field offices, and for Board hearings. The Board's Equal Employment Opportunity Office uses annual language surveys to maintain a list of bilingual and multilingual employees. The list currently includes more than 180 employees who together speak 25 different languages and dialects, including American Sign Language. More than 100 employees receive a bilingual pay differential because they regularly use their language skills in assisting taxpayers.

### Voter Registration

Board offices make available and accept voter registration and change of address forms under the federal "motor voter" law. In 1999-00, sales and use tax field offices distributed more than 13,900 forms to taxpayers.

## Taxpayers' Bill of Rights Activities and Hearings

The Board's Taxpayers' Rights Advocate coordinates the agency's compliance with the spirit and the letter of the various California Taxpayers' Bills of Rights and publishes annual reports for business and property taxes. In addition, the Advocate's Office sponsors annual hearings to allow taxpayers to bring their concerns directly to the elected



Board members. Taxpayers may comment on all Board-administered revenue programs as well as local property tax issues. 1999 public hearings were held in Culver City and Sacramento.

As a result of specific contacts from taxpayers, issues raised at the Taxpayers' Bill of Rights hearings, and issues identified by the Advocate's Office, the Board has taken the following actions to improve the quality of taxpayer service and education:

- **Lien threshold increased.** Analysis of the minimum lien threshold revealed that it was not economical to enforce and process liens in the \$1,000 to \$2,000 range. As a result, the minimum lien threshold for delinquent tax payments was set at \$2,000.
- **Audit penalties reviewed.** To ensure that discretionary penalties assessed during the audit process were being applied consistently throughout the state, sales and use tax staff analyzed penalties over a nine-month period. While the study did not indicate any major inconsistencies, the Board now maintains monthly statistics on these discretionary penalties to monitor each district and investigate reasons that may cause a district to exceed the statewide average.

- **Board correspondence now identifies author.** Board staff reviewed all outgoing Sales and Use Tax Department correspondence and modified the letters to include, whenever appropriate, a signature that identifies the author. Letters not attributed to specific authors direct recipients to a contact phone number.
- **Delinquency notice added.** An interim delinquency notice was developed to serve as the first contact with a taxpayer who has not filed a timely tax return. The permit revocation notice previously used as the first contact will be retained as a second notice.
- **Reinstatement fees modified.** The Board will no longer require a \$50 reinstatement fee for the sublocations of permittees when the sublocations were closed while the primary account was revoked. In addition, the agency may propose legislation to limit the reinstatement fee to a maximum \$50 charge for the primary account.
- **Proper use of *Bar Fact Sheet* during audit.** The Board found that during audits, some auditors were using an “industry standard” for drink pour size rather than the facts found in the course of the audit and recorded on the Board-issued *Bar Fact Sheet*. As a result, the Board reiterated its policy on use of the fact sheet and instructed auditors to use the facts recorded on it or to document their reasons for choosing not to do so.
- **Waiver guidelines enhanced.** The Board revised its *Audit Manual* to specify that a waiver of limitation should be requested from a taxpayer only if: (1) there is a sufficiently documented understatement or overstatement that can be billed or refunded without additional examination of the periods in question, (2) a taxpayer requests a postponement while an

audit is in process, or (3) there have been excessive taxpayer delays in beginning an audit. In addition, the guidelines now require that the audit working papers include the basis for the waiver request and that a supervisor approve the waiver request in advance.

- **Fraud penalty recommendation memo to be provided to taxpayer.** To clarify Board policy, *Audit Manual* section 0205.23, “Furnishing Copies of Audit Working Papers,” was revised to require that audit working papers include the approved copy of any memo requesting assessment of a fraud penalty.
- **Franchise and personal income tax opinions on the Internet.** Responding to a taxpayer request, the Board placed its franchise and personal income tax opinions on the agency Internet site, at [www.boe.ca.gov/legal/legalopcont.htm](http://www.boe.ca.gov/legal/legalopcont.htm). New formal opinions will be added to the site within two days after their adoption. While opinions on the site now date back to 1991, Board staff intends to continue adding opinions from as far back as 1930.

## Evaluating Public Contacts

To ensure quality service while meeting the requirements of the original Taxpayers’ Bill of Rights, Board managers and supervisors observe and evaluate the public contact skills of Board employees. All Board employee performance reports and annual reviews must include the supervisor’s comments regarding the employee’s public contacts, whether made in person, in writing, or by telephone.

In addition, supervisors observe audit staff as they meet with taxpayers to discuss audit procedures or findings. The Board does not evaluate individual

officers or employees on the amount of revenue they assess or collect.

The Board's Sales and Use Tax Department continues to gather taxpayer comments regarding the agency's registration and account maintenance services. Ninety-seven percent of the more than 11,000 respondents in 1999-00 were pleased with the overall process and with the services delivered by Board staff. When individuals do express dissatisfaction or make complaints, the Board

makes every attempt to contact them and address the issues raised. When necessary, the agency modifies existing procedures or adopts new ones to ensure high levels of taxpayer service.

Overall, taxpayers seem satisfied with the quality of service they receive and the professionalism and courtesy extended to them by Board staff. The agency receives many unsolicited letters each year from taxpayers who write to thank staff for their assistance.